

**BOARD OF EQUALIZATION****PROPERTY TAX COMMITTEE MEETING MINUTES**

HONORABLE KATHLEEN CONNELL, COMMITTEE CHAIR

450 N STREET, SACRAMENTO

JUNE 30, 1999

ACTION ITEMS**Agenda Item 1: Consideration of Interim Guidelines for Valuation of Biopharmaceutical Equipment.****Issue**

Should the Board adopt interim valuation factor tables and reporting categories for the equipment and fixtures used by the biopharmaceutical industry?

Committee Discussion

Staff reported to the Committee the progress on the development of interim valuation factor tables and reporting categories for the equipment and fixtures used by the biopharmaceutical industry. Staff presented the three options before the Committee: (1) Genentech Proposal, (2) Ventura County Assessor Proposal (as modified), and (3) California Assessors' Association (CAA) Proposal.

Staff expressed reservations about Genentech valuation factors due to the difficulty encountered in verifying the quality and quantity of the data used. In addition, staff of the Statistics Section stated that in its opinion no reasonable fit could result from the data as submitted by Genentech for development of valuation factor tables.

The Ventura County Assessor, representatives of the California Assessors' Association (CAA), Genentech, and Amgen presented their views to the committee on the interim valuation factors and guidelines for the biopharmaceutical industry. Staff stated its endorsement of the Ventura County Assessor Proposal, which was also supported by CAA.

The Committee Chair expressed concerns regarding the applicability of the Ventura County Assessor Proposal for statewide use because it may represent only specific situations relevant only to Ventura County and Amgen, and the statement from the Amgen representative that it reserves its rights for future adjustments to the valuation factors upon presentation of evidence and supporting documentation. The Committee Members discussed the need to have other biopharmaceutical companies involved in the process in addition to Amgen and Genentech, and expressed their frustration with the progress to resolve this matter.

Committee Action/Recommendation

The Committee voted unanimously and directed that the staff work with the interested parties (assessors and industry) and report back to the committee in one month.* The staff is to draft a concise written presentation (such as a matrix) of its analysis and findings in the following areas:

- Determine basis and source information for each of the valuation factor tables.
- Define, segregate, and analyze the ingredients and supporting documents going into each of the valuation factor tables.

The Committee Chair announced that the Committee meeting at which the presentation is offered will be the last opportunity for interested parties to bring this matter back to the Board for resolution.

Agenda Item 2: Approval of Wording for the Revision of Rules 302, 305.5, 307, 308, 308.5, 308.6, 310, 311, 312, 316, 318, 319, 320, 322, 323, 324, 325, and 326, *Local Equalization (Phase 1)*.

Issue

Should the Board adopt a Notice to Publish amendments to the California Code of Regulations, Property Tax Rules 302, 305.5, 307, 308, 308.5, 308.6, 310, 311, 312, 316, 318, 319, 320, 322, 323, 324, 325, and 326?

Committee Discussion

There were no objections to the staff recommendation that proposed amendments of Property Tax Rules 302, 305.5, 307, 308, 308.5, 308.6, 310, 311, 312, 316, 318, 319, 320, 322, 323, 324, 325, and 326, as presented in Issue Paper 99-029, be authorized for publication and submitted to the Office of Administrative Law for publication in the California Regulatory Notice Registrar.

Committee Action/Recommendation

The Committee voted to recommend that the Board adopt a Notice to Publish amendments to the California Code of Regulations, Property Tax Rules 302, 305.5, 307, 308, 308.5, 308.6, 310, 311, 312, 316, 318, 319, 320, 322, 323, 324, 325, and 326.

Agenda Item 3: *Repeal of Rule 466, Valuation and Enrollment of Trees and Vines; Rule 467, Taxable Possessory Interests; and Rule 470, Enforceably Restricted Property.*

Issue

Should the Board repeal Property Tax Rules 466, 467, and 470?

Committee Discussion

There were no objections to the staff recommendation, as presented in Issue Paper No. 99-033, that the Board repeal Property Tax Rules 466, 467, and 470, all of which have outlived their usefulness as regulations governing the implementation of Proposition 13.

Committee Action/Recommendation

The Committee voted to recommend that the Board repeal Property Tax Rules 466, 467, and 470.

Approved: /s/ Marcy Jo Mandel for
Kathleen Connell, Committee Chair

/s/ Richard C. Johnson for
E. L. Sorensen, Jr., Executive Director

BOARD APPROVED

at the 7/1/99 Board Meeting

*except changed 30 days to 60 days in Item #1.

/s/ Janice Masterton
Janice Masterton, Chief
Board Proceedings Division